

40:56-35

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40:56-35; 40A:2-14 (Local improvement assessments - payment period)

LAWS OF: 1983

CHAPTER: 169

Bill No: A1721

Sponsor(s): Smith and Kavanaugh

Date Introduced: July 8, 1982

Committee: Assembly: Municipal Government

Senate: County and Municipal Government

Amended during passage: Yes // Amendments during passage denoted by asterisks

Date of Passage: Assembly: March 30, 1983

Senate: Dec. 6, 1982

Date of Approval: May 3, 1983

Following statements are attached if available:

Sponsor statement: Yes //

Committee statement: Assembly /// No

Senate Yes //

Fiscal Note: /// No

Veto Message: /// No

Message on Signing: *yes* /// ~~No~~

Following were printed:

Reports: /// No

Hearings: /// No

[OFFICIAL COPY REPRINT]  
ASSEMBLY, No. 1721

**STATE OF NEW JERSEY**

INTRODUCED JULY 8, 1982

By Assemblymen SMITH and KAVANAUGH

AN ACT concerning certain assessments for local improvements  
and amending R. S. 40:56-35 \*and N. J. S. 40A:2-14\*.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. R. S. 40:56-35 is amended to read as follows:

2 40:56-35. The governing body may by resolution provide that  
3 the owner of any real estate upon which any assessments for any  
4 improvement shall have been made may pay such assessments in  
5 such equal yearly installments, not exceeding ten, *except as herein-*  
6 *after provided*, with legal interest thereon, and at such time in each  
7 year as the governing body shall determine, but any person assessed  
8 may pay the whole of any assessment, or any balance of install-  
9 ments, with accrued interest thereon, at one time. If any such  
10 installment shall remain unpaid for 30 days after the time when  
11 the same shall have become due the whole assessment or balance  
12 due thereon shall become and be immediately due, shall draw  
13 interest at the rate imposed upon the arrearage of taxes in such  
14 municipality and be collected in the same manner as is provided  
15 by this subtitle for other past due assessments.

16 Whenever any owner shall be given the privilege of paying any  
17 assessment in installments such assessment shall remain a lien  
18 upon the land described therein until the same with all installments  
19 and accrued interest thereon shall be paid, and no proceedings to  
20 collect or enforce the same need be taken until default shall be  
21 made in the payment of any installment as hereinbefore in this  
22 subtitle provided.

23 In any municipality which is constructing a local improvement  
24 with funds secured from the Federal Government, through the

**EXPLANATION**—Matter enclosed in bold-faced brackets [thus] in the above bill  
is not enacted and is intended to be omitted in the law.

Matter printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

\*—Assembly committee amendments adopted November 23, 1982.

25 public works administration, under the terms of the national re-  
 26 covery act, the governing body may provide that the assessments  
 27 may be payable in yearly installments, with legal interest thereon,  
 28 over a period of years up to but in no event exceeding the term of  
 29 years for which the funds therefor are borrowed from the Federal  
 30 Government, and at such time in each year as the governing body  
 31 shall determine. The governing body may fix the yearly install-  
 32 ments in such amounts as in its opinion are equitable and just.

33 *In any municipality in which the local improvement is being*  
 34 *financed by the sale of bonds, the governing body may provide that*  
 35 *the assessments may be payable in yearly installments, with legal*  
 36 *interest thereon, over a period of years up to but in no event*  
 37 *exceeding the period of years for which the bonds were issued, or*  
 38 *for 20 years, whichever shall be less, and at such time in each*  
 39 *year as the governing body shall determine. The governing body*  
 40 *may fix the yearly installments in such amounts as in its opinion*  
 41 *are equitable and just.*

1 \*2. N. J. S. 40A:2-14 is amended to read as follows:

2 40A:2-14. a. Any bond ordinance to finance any local improve-  
 3 ment, in addition to other required provisions, shall contain:

4 1. a determination of the amount or the percentage of the cost  
 5 which the local unit will contribute to the payment of the cost of the  
 6 local improvement;

7 2. a statement of the number of annual installments in which the  
 8 special assessments may be paid, not exceeding [10] 20, or the  
 9 average thereof if more than 1 local improvement is being financed;  
 10 and

11 3. a statement of the estimated maximum amount of the special  
 12 assessments.

13 b. Before or after confirmation of special assessments, a local  
 14 unit may authorize and issue obligations to finance a local improve-  
 15 ment, except that

16 1. a local unit may not issue bonds to finance its share of the cost  
 17 of a local improvement in excess of the amount or percentage of  
 18 contribution;

19 2. bonds to finance the cost of a local improvement to be assessed  
 20 against properties may not be issued in excess of the stated esti-  
 21 mated maximum amount of special assessments, or the amount of  
 22 special assessments then confirmed, unpaid and not delinquent.

23 c. Bonds to finance that part of the cost of a local improvement  
 24 which is to be assessed on property shall not be issued to finance  
 25 any other additional purpose and shall include in the title thereof  
 26 the word "assessment".\*

1 \* [2.] \* 3. \* This act shall take effect immediately.

ASSEMBLY, No. 1721  
**STATE OF NEW JERSEY**

INTRODUCED JULY 8, 1982

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and amending R. S. 40:56-35.

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8 may pay the whole of any assessment, or any balance of install-  
9 ments, with accrued interest thereon, at one time. If any such  
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21 made in the payment of any installment as hereinbefore in this  
22 subtitle provided.

**Matter printed in italics thus is new matter.**

23 In any municipality which is constructing a local improvement  
 24 with funds secured from the Federal Government, through the  
 25 public works administration, under the terms of the national re-  
 26 covery act, the governing body may provide that the assessments  
 27 may be payable in yearly installments, with legal interest thereon,  
 28 over a period of years up to but in no event exceeding the term of  
 29 years for which the funds therefor are borrowed from the Federal  
 30 Government, and at such time in each year as the governing body  
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#### STATEMENT

The purpose of this bill is to permit local improvement assess-  
 ments to be paid over a greater period of time than currently  
 permitted.

Under the provisions of R. S. 40:56-35, the payment of assess-  
 ments for local improvements must be paid off within 10 years,  
 unless federal loan moneys are used. When federal loans are  
 utilized, the period of assessment may coincide with the term of  
 the loan.

This bill would permit governing bodies which issue bonds for  
 local improvements to provide for a period of assessment which  
 does not extend beyond the date of the maturity of the bonds, or  
 20 years, whichever is less.

A1721(1982)

SENATE COUNTY AND MUNICIPAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1721**

[OFFICIAL COPY REPRINT]

**STATE OF NEW JERSEY**

DATED: FEBRUARY 9, 1983

Assembly Bill No. 1721 permits municipalities to provide that local improvements be paid by the affected property owners in yearly installments extending over 20 years or the period for which bonds are issued for the improvements, whichever shall be less. Under current law, the payment schedule may not exceed 10 years, unless federal funds are used to secure the improvement. If federal funds are used, the payment schedule is to coincide with the period of the federal loan.

The bill was amended by the Assembly Municipal Government Committee to bring N. J. S. 40A:2-14 of the "Local Bond Law" concerning the contents of bond ordinances into conformity with the amendment proposed to R. S. 40:56-35.

OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATE, MAY 3, 1983

CONTACT: CARL GOLDEN

Governor Thomas H. Kean today signed the following bills:

A-272, sponsored by Assemblyman Walter Kern, R-Bergen, to ensure access to cable television service by tenants of condominium associations, housing cooperatives, and owners of mobile home parks.

A-1721, sponsored by Assemblyman Elliott Smith, R-Somerset, to permit assessments for local improvement to be paid over a period of 20 years, rather than 10 years.

S-1763, sponsored by Senator Joseph Hirkala, D-Passaic, to authorize the Division of Motor Vehicles to issue special license plates to active members of a military reserve unit who are residents of New Jersey.

A-1512, sponsored by Assemblyman Joseph Patero, D-Somerset, to appropriate \$15 million from the Water Supply Bond Act to finance improvements to the Delaware and Raritan Canal.

A-1269, sponsored by Assemblyman Thomas Cowan, D-Hudson, placing certain employees of Hudson County Youth House under Civil Service.

S-1446, sponsored by Senator Wayne Dumont, R-Warren, which requires the tax court to send copies of judgments of notice to the collector and county tax administrator of the county in which the property at issue is situated.

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